(4)

No. 06-1222 Oct. 30, 2006

# In the
# Supreme Court of the United States

EDDIE PAUL MUNOZ; PRO SE,
*- Petitioner*

v.

CENTRAL TELEPHONE
COMPANY NEVADA; ET AL
*-Respondents*

**On Petition for a Writ of Certiorari to the United States Court of Appeals for the 9th Circuit**

**APPENDIX P**
**VOLUME 3**

EDDIE PAUL MUNOZ ; Pro Se
P.O. BOX 61344
LAS VEGAS. NEVADA 89160

# APPENDIX P

PGS A – 163- 217

NATIONAL SECURITY

FEDERAL ENVIRONMENT

FEDERAL ARREST

F.B.I. STRIKE FORCE

FEDERAL INVESTIGATION

P.U.C. DOCKET 00-6057

DIVERSION
BATES RECORD 01365-101368

APPENDIX 9
FEDERAL INVOLVEMENT
P.U.C. DOCKET 00-6057
REBUTTAL TESTIMONY
EXHIBIT 4C-4D

**Mob Linked to Theft of Call for Dancers**
**(from: *The New York Times*)**
BY: JOHN MARKOFF

LAS VEGAS, Nev., Oct. 15 – in a case of oldest profession meets newest technology, a federal indictment handed up last Friday suggests that the mob is muscling its way into cyberspace.

Federal agents arrested six men here on Oct. 9 after surveillance indicated that the men intended to harm several operators of adult entertainment businesses that openly front for prostitution. Agents stumbled on the plot, the indictment says, because the intended victims were themselves targets of a Federal investigation.

According to the indictment, the men are members of the Gambino crime family who were pressuring a computer expert to divert telephone calls systematically from one or more adult entertainment enterprises to competing companies affiliated with the mob.

Since the mid-1990's, operators of adult entertainment companies known as out-call services have attributed a mysterious decline in business to computer criminals who gain access to the local phone company's switches and illegally reroute calls to competitors.

Although prostitution is illegal in Las Vegas and surrounding Clark County, nude dancing services in which a male or female entertainer is sent to a hotel room are legal. (In some counties in Nevada, prostitution is legal.) Although there are no reliable estimates of the size of the sex industry in this city, the Yellow pages carry 134 pages of advertising in the category of "adult entertainers," one of the directory's largest categories.

Federal officials said that among the six men who were arrested were two mob enforcers who has flown to Las Vegas from Tampa, Fla. They said that the arrests were made after agents became convinced that the lives of several people were at risk.

The two men accused of being enforcers, Vincent Congiusti and Anton Nelsen, came to Las Vegas to threaten three operators of out-call nude dancing services, according to the indictment. The men were arrested when they began looking for Charles Coveney, who is described in the indictment as a computer expert who worked for one of the adult entertainment services.

Mr. Coveney did not return repeated calls requesting comment.

In addition to Mr. Congiusti, 48, and Mr. Nelsen, whose age was not given, agents arrested Christiano DeCarlo, the 27-year-old owner of the DeCarlo Group, an adult entertainment business in Las Vegas; Kenneth Byrnes, 38, described as an enforcer from New Jersey; and Joshua Snellings, 20, of Las Vegas, a driver for Mr. DeCarlo. A sixth man, Mario Stefano, believed to be a Gambino operative, was arrested in New York City on Monday.

The indictment quotes Mr. Stefano as telling an undercover agent that he was irritated by several of the outcall services that compete with Mr. DeCarlo, and that "a couple of aspirins will be sent to Las Vegas to deal with those headaches." Mr. Congiusti's mob name is Vinnie Aspirins.

The indictment also quotes Mr. Stefano as stating that on one occasion Mr. Congiusti used a cordless drill to bore holes in the head of a man who had crossed the mob. According to the indictment, the F.B.I. agents who arrested Mr. Congiusti found a power drill in t he Ford Expedition he was traveling in at the time of the arrest.

The other alleged enforcer, Mr. Nelsen, is described in the indictment as a former mercenary soldier who is an expert in explosives. F.B.I. agents said that they has observed Mr. Nelson buying carburetor cleaner in an

automotive parts store and they believed he intended to use it to build a fire bomb.

Last Year, Hilda Brauer, an owner of the Perfect Body's and the Young and Sexy Bodies nude-dancing services, sued the Sprint Corporation and R.H. Donnelly co., publisher of the Las Vegas Yellow Pages, charging that they had conspired to divert telephone calls from her business.

Although the suit was dismissed, the accusations appear to have drawn the attention of Federal agencies. Several adult services operators who spoke on the condition of anonymity said that in the last year Federal agents had created an interagency computer crimes task force based in Reno to investigate call diversion. One of the service operators said he believed that call diversion had spread beyond the adult entertainment business and were becoming a growing problem for other Las Vegas businesses.

Federal officials in Las Vegas said they were familiar with the reports of electronic call diversion but for the time being were focusing on other charges, including suspected payoffs to local law enforcement officials.

"This is super big business here," Eric Johnson, an assistant United States attorney, said of sex services. "These operators generate a lot of money and a lot of cash."

The indictment charges that a significant portion of the Las Vegas out-call industry is a front for money laundering, robbery, narcotics distribution and other criminal activities, in addition to prostitution.

Federal agents believe that the mob is trying to grab control of the sex industry through illegal means, including sophisticated rerouting of calls from competitors' businesses.

The defendants face charges of conspiracy, extortion and interstate travel in aid of racketeering.

**U.S. Department of Justice**
*United States Attorney's Office*
*Northern District of Texas*
110 Commerce St., 3rd Fl.
Dallas, TX 75242-1699
Office: (214) 659-8600
Fax: (241)767-2898

For Immediate Release
Dallas, Texas
CONTACT: (214) 659-8707
September 16, 1999

United States Attorney Paul E. Coggins announced today that Corey Lindsly and Calvin Cantrell were sentenced today in federal court by the Honorable Chief District Judge Jerry Buchmeyer for hacking into computer systems belonging Sprint Corporation, Southwestern Bell and GTE, illegally obtaining long distance calling card numbers and selling these stolen calling card numbers.

Corey Lindsly, age 32, of Portland, Oregon, was sentenced to forty-one months imprisonment and ordered to pay $10,000 to the victim corporations. Calvin Cantrell, age 30, of Grand Prairie, Texas, was to two years imprisonment and ordered to pay $10,000 to the victim corporations. Both defendants pled guilty in late spring to Informations charging criminal fraud and related activity in connection with Access Devices and Computers, in violation of Title 18, united States Code, Sections 1029 (a)(3) and 1030(a)(4).

Lindsly and Cantrell are the major ringleaders in a computer hacker organization known as they "Phone Masters," whose ultimate goal was to own the telecommunications infrastructure from coast-to-coast. In addition to the numerous telecommunications systems that were penetrated, the group also penetrated computer systems owned by credit reporting agencies, utility providers, and systems owned by state and federal

governmental agencies, to include the Nation Crime Information Center (NCIC) computer. These hackers organized their assaults on the computers through teleconferencing and utilized encryption program PGP to hide the data which they traded with each other.

United States Attorney Coggins acknowledged the courage of Sprint Corporation, Southwestern Bell Corporation and GTE for coming forward to report this hacking into their computer system to the Federal Bureau of Investigation. United States Attorney…

http://www.usdoj.gov/criminal/cybercrime/phonmast.htm
11/26/01

Dallas/Fort Worth
WFAA.COM
wfaa>news>local

NEWS 8 INVESTIGATES
Cyber Terrorists Invade Phone Networks
By Robert Riggs
April 29 1999

http://people.ne.mediaone.net/kiad/hacker/
11/29/01

(photo)
GTE's network operations center at DFW International Airport was targeted by computer hackers.

DALLAS- It was the largest cyber-assault on the nation's communications networks.

A computer security breach received little attention when it was announced in Dallas last month. Hackers had been caught stealing thousands of long distance calling card numbers.

News 8 Investigates learned it was a case with national security implications.

A group of computer hackers invaded telephone systems so deeply that they could shut down 911 operators. In fact, they retaliated for a speeding ticket by crashing the phone system at a police department.

They also tipped off drug dealers to wire-taps.

Until now, this cyber-attack has been a closely-guarded secret. Computer hackers have broken into the networks of the world's largest telephone companies.

They were just a few keystrokes away from blinding air traffic controllers, shutting down banks, or cutting off military bases. It's not the plot of the latest cyber-horror movie.

This frightening penetration of the nation's telecommunications systems actually happened right here in North Texas.

The hackers' target list included GTE's 28-state network, controlled from a nerve center at DFW International Airport. They had the capability of causing a "cyber Pearl Harbor" had they wanted to.

FBI agents Mike Morris led the investigation. "We had a number of telephone companies, long distance carrier and local exchange carriers that thought they were impenetrable," Morris said. "They thought they were little castles."

HACKING HISTORY

The first confirmed break-in occurred four years ago when the hackers first took control of computerized phone switches. The switches route calls around the world. The hackers gained unrestricted access to GTE, Sprint, MCI and the regional Baby Bell networks.

Their early attacks went undetected, and alarmed top levels of the U.S. government. Details about the case are only now becoming public.

"They could listen in on calls made through that switch," Morris explained. "If they didn't like a person, they could turn their access off to that switch, meaning if you tried to make a call out, it wasn't going to happen."

FBI LAUNCHES CYBER SQUAD

A tip set in motion an intensive FBI investigation that continues today. In Dallas, a new cyber squad put a wiretap on the hackers' line. It marked the first time that agents could monitor everything a hacker typed.

"The goal of the hackers was to basically take control of telecommunications systems coast-to-coast," Morris said.

They came close.

THE PHONE MASTERS
FBI surveillance photos show some of the 11 hackers called the Phone Masters.

They gathered from across the country with cyber burglary tools in hand: a cloned cellular phone and laptop computer.

The FBI identified Calvin Cantrell of Grand Prairie as a central figure in the organization.

The hackers fit the FBI's profile:
-White Males
-Teens to mid-20's
-Self-taught
-Obsessed

"He wasn't very good at school, didn't make a lot of friends," Morris said of the individuals who fit the profile. "But when he gets on the Internet and he hacks into a system, now he basically is a cyber-God."

Even though the typical hacker is not a particularly good student, they are still brilliant. "Some of these guys could be considered geniuses," Morris said. 'they're very smart, and they get very bored with school."

The FBI discovered that Cantrell was an unemployed 1988 graduate of Grand Prairie High School. At his parents home, Cantrell spent up to 20 hours a day hacking into computer systems. The FBI said Cantrell took confidential credit and crime records out of computer systems and traded people's secrets for cash.

"Calvin represented himself as an information broker," said private investigator Trace Carpenter, who purchased personal information from Cantrell. He said Cantrell bragged about even getting phone records close to the President. "He was obtaining long distance records for Bill Clinton's mother," Carpenter said. "I suppose this was an effort to find a back line into the Oval Office, so to speak."

HACKERS TARGET WHITE HOUSE

Indeed, the Phone Masters hacked into White House phone records and unlisted numbers, according to sources in the telecommunications industry. "it shows the vulnerability of our everyday systems that we use," said Assistant.

Yarborough is now prosecuting the Phone Masters for stealing millions of dollars worth of long distance calling card numbers.

"Knowing and holding the keys to that system, any foreign agent or domestic hacker could choose to hack it," Yarborough is now prosecuting the Phone Masters for stealing millions of dollars worth of long distance calling card numbers.

"Knowing and holding the keys to that system, any foreign agent or domestic hacker could chose to hack it," Yarborough said. "That could have a wide-ranging impact on our financial institutions, power and electrical, the systems we use and interact with every day."

The FBI said the Phone Masters discussed crashing vital computer systems. It's unclear what the hackers may have done before the FBI got on their trail.

The hackers declined to talk to News 8.

## Large-scale phone invasion goes unnoticed by all but FBI

**December 14,1999**
Web posted at: 3:39 p.m. EST (2039 GMT)
CNN.com

http://www.cnn.com/1999/TECH/computing/12/14/phone.hacking/ 1/9/02

**In this story:**

Calling card numbers, credit reports, and more
Giving the FBI the "pager treatment"
FBI agents turn the tables
Not as sexy, but more dangerous
Phonemasters' skills gave them a 'power trip'
Larger hacks slip under radar
**RELATED STORIES, SITES**

*By D. Ian Hopper, CNN Interactive Technology Editor and Richard Stenger, CNN Interactive Writer*

(CNN)- Where have all the hackers gone?
That's an understandable question considering the actions that currently pass for a news-making "hack." One might think that the days of Kevin Mitnick's phone hijinks or Robert Morris's computer worm, which disrupted the operations of over 6,000 computers nationwide in 1988, are gone.

Sure, there's malignant code like the Melissa virus which struck computers earlier this year, but so many viruses rely on users to knowingly or unknowingly pass them on until they finally strike. When they do strike, they usually just wipe out the user's hard drive – not so horrible, on a global scale.

But how about stories of intelligent hackers who download calling card numbers straight out of the data

banks of giant phone companies in order to use or resell them, download and resell credit reports or have the ability to reroute or even take down entire telephone networks at will? Those guys are gone, right?
Not so fast, They're far from done; they've just gone out of fashion.

**Calling cards numbers, credit reports, and more.**

A group of hackers called the Phonemasters, for example, stole tens of thousands of phone card numbers, found and called private White House telephone lines and rooted around in high-security FBI computer files in the mid-1990's.

But the gang behind ones of the largest hacks ever failed to see their names on one FBI list, a request to tap their lines. Some four years after U.S. agents busted the group, the last of three ringleaders now awaits sentencing in federal court.

Jonathon Bosanac pleaded guilty to two counts of computer-related fraud in a U. S. Court in San Diego last week. The self-proclaimed "Gatsby" faces sentencing on March 2.

Two other reputed ringleaders were sentenced in September. Corey "Tabbas" Lindsley received a prison term of 41 months; Calvin "Zibby" Centrell was given 24 months.

The hacker gang downloaded thousands of calling cards from AT&T, Sprint, and MCI to sell on the black market, according to federal prosecutors. Some of the reported retail customers included the Sicilian Mafia.

"One of the most valuable skills is to be a phone phreaker. If you 'own' the phone system, you have the keys to the kingdom; you can listen to anyone you want to, call forward, switch numbers and route calls," said Matthew

Yarbrough, the assistant U.S. attorney in Dallas who served as lead prosecutor in the case.

The scope of their activities was astounding. They could listen in on phone calls, alter secure databases and penetrate computer systems of credit reporting company Equifax and the FBI's National Crime Information Center.

**Giving the FBI the "pager treatment"**

The ringleaders even contemplated downloading every calling card in the United States, according to prosecutors.

A federal judge estimated that the group caused $1.85 million in business losses over three months.

The Phonemasters reportedly performed high-tech pranks, forwarding an FBI phone number to a sex chat line that left the bureau with a $200,000 tab. Some victims -- including a Pennsylvania police department that gave one Phonemaster a ticket—received the "pager treatment," in which their phone numbers were each sent to thousands of pagers.

The Phonemasters, a name coined by authorities, even sold for hundreds of dollars copies of personals credit reports, state motor-vehicle records and addresses or phone numbers of celebrities like Madonna and Danny Bonaduce.

"The information, because of the confidential nature, had a lot of value," Yarbrough said.

Looking through confidential databases, they warned targets of FBI surveillance that their phones were being tapped. But they never checked to see if their own phones were under surveillance.

The Phonemasters went to great measures to avoid detection during their long-distance conference calls,

never using their real names and speaking in code, referring to the calling card numbers as "tortillas," procecuters said.

**FBI agents turn the tables**

But they were often aware of the risk. In the transcript of one 1995 conversation, Bosanac hears a strange noise on the line.

"What the hell happened?" he asked.
"That was the FBI tapping in," Cantrell joked.
"You know how ironic that's going to be when they those tapes in court?" Lindsley said.

The FBI was listening, using a unique $70,000 prototype device that recorded every word and keystroke that moved along the phone line in Cantrell's home in Grand Prairie, Texas.

It marked the first time the FBI successfully eavesdropped on computer data traveling through telephone lines, federal prosecutors said.
In February 1995 a hacker friend told Cantrell his number was on a database of phone numbers under FBI watch. Soon FBI agents raided Cantrell's home, Lindsley's dorm room at the University of Pennsylvania in Philadelphia, and Bosanac's bedroom in his parents' house in Rancho Santa Fe, California.

It took more than four years before the three pleaded guilty to counts related to theft and possession of unauthorized calling-card numbers and unauthorized access to computer systems.

Lindsley who received one of the longest prison sentences in hacking history, refused to identify the voices of other hackers on tape.

Bosanac faces a maximum sentence of 15 years. His attorney Peter Hughes said that Bosanac will likely receive around 20 months in prison, in part because of his plea.

After the 1995 raid, Bosanac worked for a San Diego Internet company owned by AT&T, a Phonemaster victim. The company fired him after learning he had hacked into their system, a federal prosecutor said.

Bosanac, who remains free on a $25,000 bond, now works for a San Francisco firm that is aware of his case, Hughes said.

Not as sexy, but more dangerous

It's understandable if you haven't heard of the Phonemasters. With the exception of local newspapers reporting on hometown criminals or the so-called hacker media reports, the national media has largely ignored the Phonemaster and others like them.

"Lately the media has been caught up in Web defacement," said Yarbrough, who also leads the FBI's cyber crimes task force in Dallas.

The actions of Web defacers are typically confined to replacing the "home pages," or index files of a Web site with text and images that either- in the case of "hacktivism" – reflect a political or social viewpoint, or simply boast that the hacker had access to the site. Frequently, in an attempt to show no actual malice toward the site administrators, the hacker saves a copy of the original home page on the server or even leaves a text file containing a blueprint of how the hacker got access.

In its most common form, Web site defacement causes very little actual damage when compared to a large-scale intrusion like the ones made by the Phonemasters. But the site that has "I own you" scrawled on it is a lot more

obvious and brash than illegal charges made on thousands of calling cards. Hence, the graffiti artist gets what many of them want most: publicity.

That's not only a shame, say some computer crime observers, but its also very dangerous.

"The web graffiti kids really affect public perception," says Brian Martin, administrator of the Attrition.org site, which logs and comments on computer hacks. "Because of vague wording and unfounded comments, journalists often imply that because a Web page was defaced, an entire network was compromised. That is hardly the truth. Most of the time these kids couldn't touch the internal network.

**Phonemasters' skills gave them a 'power trip'**

To Martin, the public should be more worried about people with the skills of the Phonemasters.

"The level of knowledge they possess about computer systems, phone systems in particular, is amazing. In many cases they know more than highly paid and specialized technical operators of the systems they are into."

Martin suggests the Phonemasters were driven by two quests common to hackers: "learning and exploration." Then the just as common third purpose, a power trip. "They liked having access to any and all kinds of information."

Martin has written several essays urging "script-kiddies," a demeaning term for hackers who use ready-made programs written by others for braking into systems, to cease defacing Web sites. He writes that it's not worth the almost inevitable discovery and punishment by authorities for such little accomplishment as inconveniencing a site administrator for a few hours and scaring some customers.

"It disgusts me to see media attention being given to kids with scripts," Martin says. "Their annoying kiddie messages are a waste of time for all involved. Their weak justifications for hacking are only there to make them feel better about their activities and give it some sense of righteousness. The media dutifully inflates their egos when they get lucky and find some big corporate or military server vulnerable to the latest script they got."

Larger hacks slip under radar

Space Rouge is an employee of Boston-based L0pht Heavy Industries, a hacker think tank, and is the editor of Hacker New Network. He suggests that the Phonemasters have slipped under the national media radar because their intrusions are phone-based, and don't specifically involve the Internet.

"The Internet is the hot technology topic at the moment and has been for some time. If it does not involve the Internet, people don't want to report on it. But this is a major crime and should be reported on. I just don't understand it," he says.

Like Martin, Space Rogue thinks the skills of the Phonemasters go far beyond the abilities of the Web graffiti artists.

"The phonemasters can not be compared to script-kiddies in anyway. The first are knowledgeable people who have learned systems inside and out. Script-kiddies can click a mouse button that says 'run'. There is absolutely no comparison."

Those "script-kiddies" shouldn't feel like their acts are being ignored by authorities, though. As the Internet continues being a vehicle for commerce, Web site defacements are increasingly having economic consequences.

Attacks against electronic business and government sites "both carry big problems. It's not the equivalent anymore to spray painting billboards on the highway," U.S. Attorney Yarbrough warns.

If e-commerce sites have to be closed to repair defacements, those companies can lost tens of millions a day in lost revenue, he said.

Martin, who mentions that the Phonemasters taught him some tricks as well, praises the Phonemasters for their restraint.

"They had the power to destroy entire companies, crash phone networks and more. Yet they didn't."

"The real evil is guys with the Phonemasters' skill set, but a lot less ethics," Martin says.

*LV man, son held in computer scam*

**By: John Glisch**
Review Journal

A Las Vegas man and his 16-year-old son were arrested at their home Friday and charged with *** Nevada Central Telephone of at least $50,000 by using a computer in the son's bedroom to make long-distance phone calls.

Central Telephone officials also said the pair plugged into other computer systems nationwide, including one of a major fast-food chain with the aid of what they called fellow "telephone freaks" in different parts of the country.

Metropolitan Police said Edward Kantor, 38, 4466 Avondale, was charged with avoiding payment and possession of an instrument. He remains in custody at the Clark County Jail under $51,000 bond.

The youth, a student at Chaparral High School, was placed under the custody of juvenile authorities.

Authorities said the arrests occurred about 4 p.m. following a six-month investigation by Central Telephone, in which security technicians used highly sophisticated surveillance equipment to monitor telephone calls from the house.

Sal Cinquegrani, a public information official with Central Telephone, said the pair had apparently been utilizing the computer scam for at least a year making a still undetermined number of calls.

"They made 40 calls on Thursday alone," he said.

Cinquegrani said the investigation began after routine checks showed a large number of long-distance calls were made and placed on monthly bills of other people.

He said by using a home Apple II computer, the pair was able to plug into telephone lines and by-pass Central Telephone's computerized billing system.

"Once they did that, they were talking to other computers," he said. "It's a nationwide scam. What it boils

down to is that you and me were paying for all those services."

Besides entering Central telephone's computers, Cinquegrani said the pair hooked into the computers of other "telephone freaks" across the country, getting the codes for "multiple" business computer systems locally and nationwide.

Cinquegrani said apparently as a prank, the pair entered the system of a major fast-food chain where they changed records to show increased overtime along with adding employees to the payroll.

"They can do all sorts of things and it's havoc." He said.

Cinquegrani also said the surveillance uncovered others in the Las Vegas area apparently using the same computer scam methods.

"There are several other phone freaks that were introduced to us through this investigation," he said, "We know who they are and we will prosecute them."

Cinquegrani went on to say a large amount of homemade electronic equipment, as well as telephones and computers, was confiscated from the Kantor home.

It was also learned Kantor is an employee of Telephone World, 1431 Charleston Ave., an independent seller of telephone equipment.

FBI boss moving up
Friday, December 18, 1998
Las Vegas Review Journal

Bobby Siller, the special agent in charge of the Las Vegas office of the FBI, is retiring from the bureau and will become a member of the state Gaming Control Board.

Siller has led one of the most active bureau offices in the history of the city. He also has made no secret of his desire to remain in the community. Recent FBI cases include several investigations into organized crime presence on the streets of Las Vegas. Among those investigations: the murder of Herbie Blitzstein and the alleged hostile takeover attempt of the local out call entertainment racket.

Siller's agents also are largely responsible for putting together a devastating case against slot cheating kingpin Dennis Nikrash, who is now cooperating with the government.

But not even Siller could fix the phone system at the local FBI office, where agents earlier this week were complaining that the leading law enforcement agency in the nation needed a bank of pay phones.

Although the bureau does not often promote from within for the special agent in charge position, Siller's assistant, Walt Stowe, has the kind of credentials that make him the painfully obvious choice for the job.

Stowe is a 26-year agent with six years in administration in Las Vegas, which even by FBI standards is unique among major cities.

If Stowe can do something with that phone system, I say he deserves the job....

## State takes on high-tech crime

A new pamphlet offers tips to help businesses reduce the chances of becoming criminal victims.

**By Sean Whaley**
Donrey Capital Bureau

CARSON CITY – A task force formed to help businesses fight high-tech crime has prepared a pamphlet with tip to reduce the risk of theft, embezzlement and fraud.

Among the suggestions from the attorney general's office and the High Technology Crime Task Force anyways to avoid having long-distance phone calls improperly charged to business accounts and how to secure confidential client and customer information.

"The cost of high technology crime to business is staggering and expected to increase dramatically by the end of the decade," she said.

According to FBI statistics, computer crime costs American businesses between $5 billion and $10 billion annually. By the year 2000, that figure could increase to as much as $200 billion, Del Papa said.

The goal of the state's task force is to assess what resources are needed to help give law enforcement agencies the ability to better investigate and prosecute high-tech criminals. Business involvement is essential, and Del Papa asks people with expertise or equipment to contact her office at 486-3420 in Las Vegas. A copy o the pamphlet also can be obtained at this number.

The brochure, entitled "Tips for Businesses to Fight High Tech Crime," contains a variety of suggestions, including training employees to check credit card numbers and to compare information on the face of a credit card with the information printed out on the receipt.

Other tips include changing pass-words and locks when an employee quits or is fired, and keeping banking or other confidential data on a different computer than ones used for Internet services.

**STRIP ADVERTISING**
**P.O. BOX 61344**
**LAS VEGAS, NV 89160**

I hand delivered Phone Records of M.G.C. and Telco to the FBI Special Agent Dave Van Zant.

Date
December 8, 1998

(s)_____
Eddie Munoz

Received By:
(s)_____

---

**STRIP ADVERTISING**
**P.O. BOX 61344**
**LAS VEGAS, NV 89160**

I hand delivered Phone Records of M.G.C. and Telco to the FBI Special Agent Dave Van Zant.

Date
December 16, 1998

(s)_____
Eddie Munoz

Received By:
(s)_____

(Notes of Eddie Munoz in relation to the FBI investigation that has gone on for a number of years before taking this problem to the PUC of Nevada)

9-7-99 @ 1:00
Federal Bureau of Investigation
Las Vegas
ESCORTED

FBI Building
Jerry Hanford – Strike Force
Ray Le Ber – Agent Computers

{call back this week}

9-27-99 Tuesday @ 1:00
Federal Bureau of Investigation
Las Vegas
ESCORTED

Jerry Hanford
Eric Johnson
2 hr meeting

8-25-99 @ 10:00
Federal Bureau of Investigation
Las Vegas
ESCORTED

My grandfather- Retired Judge Abraham Bowling
attended with me.

Jerry Hanford
Special Agent
Federal Bureau of Investigation
636-5063
702-385-1281
2005 Charleston Blvd.
Las Vegas Nevada 89104

## AFFIDAVIT OF EDDIE PAUL MUNOZ

I, EDDIE PAUL MUNOZ, being first duly sworn under oath hereby swear that the information set forth herein is true and correct to best of my knowledge.
SWORN TO UNDER PENALTY OF PERJURY;
THAT, I, Eddie Paul Munoz, own and operate a licensed business by the name Las Vegas Informer in the Las Vegas area; where I have signed into Contracts with the Telephone Company doing business as Sprint.
THAT, all the information in support of my claims of Sprints phone lines causing my business to operate with un-secure phone lines are true and correct to the best of my knowledge.
THAT, until my phone lines having become un-secure the Las Vegas Informer was operating as a profitable business and not losing money like it has been as a result of my phone lines being compromised.

Respectfully Submitted:
(s)_____
Eddie Paul Munoz, Pro Se

DATED; on this _____ day of
----------, 2004

NEVADA INVESTIGATIVE SERVICES
P.O. Box 91434
Henderson, NV 89009-1434
(702) 566-8008

October 16, 1998

Jerry B. Holmes
Consumer Services Representative
State of Nevada
Public Utilities Commission
Consumer Division
555 E. Washington Avenue No. 4500
Las Vegas, NV 89101

Confidential
Privileged
Communication
NRS.41.550

Re: Born vs. Sprint of Nevada
File: CCU-092298-JB

Dear Sir:

Thank You for your acknowledgement and action taken, regarding my September 9, 1998 complaint.

On October 14, 1998, the United States Attorney's Office, filed in U.S. District Court, the attached "Complaint", sworn to by Charles Maurer, Special Agent of the Federal Bureau of Investigation. This complaint, in part, is associated with my investigation regarding the Hilda Brauer case, eluded to in my original complaint to your office and does stand to help prove that my allegations of telephone diversion may have in fact taken place. Investigator Ron Heilman, of my office, in accompany with Hilda Brauer, were the first persons to bring the matter of telephone diversions to the attention of the FBI. Said investigation identified Richard Soranno (mentioned in the attached report), as a possible responsible.

While the attached complaint identifies other person(s) found in the Brauer investigation, it also details to the reader, what if their intent was in diverting calls. I offer to you testimonial evidence, before the court, that

such telephone diversion may have in fact taken place, as follows: with reference to page (5) of said report, which reads in part "... such as the use of electronic means to divert calls from competitors businesses...".With reference to page (11), "...Charles Coveney. Pugliese said that Coveney is a computer expert who currently works for Soranno. Coveney has contacts in the Sprint Telephone Company and is able to have telephone calls diverted from one number to another."

It would appear that the FBI has taken a significant step in identifying those responsible at the Sprint Telephone Company, for possibly diverting my telephone and causing my business to suffer financial disaster. Although the exact name(s) of the mentioned telephone company employee(s) are still undisclosed, I would suspect that they are known to the FBI and that disclosure is forthcoming.

In fairness, I think I should receive a letter of apology and be compensated by the telephone company for any disclosed criminal actions by their employee(s). I am very concerned about the possibility of telephone interception through eavesdropping. Certainly anyone empowered with the knowledge, opportunity and ability to divert a line, may also be able to listen in on my conversations with my investigator or client in the Brauer case. To that end, I am becoming concerned with the possibility that client-investigator confidentiality laws, may have been violated, through this alleged breach of public trust. As an investigator, I routinely receive private and confidential information over the telephone, from attorneys and other persons of all positions and walks of life. I am unclear as to what extent your office can do towards bringing about customer satisfaction in my complaint. One thing is for certain and that is, in my opinion, I cannot trust the Sprint Telephone Company and absent any immediate remedy, may find it necessary to address my grievance in U.S. District Court.

If the aforementioned federal intervention (FBI) into your investigation, into this very same matter, stands on its merits to conclude your investigation, I would

request that you so advise the Sprint Telephone Company and make any recommendations at that time, for possible settlement options. Again thank you for your help in this matter, I look forward to hearing from you soon.'

Respectfully Submitted,
(s)_____
James T. Born

**STATE OF NEVADA**
**PUBLIC UTILITIES COMMISSION OF NEVADA**
727 Fairview Drive
Carson City, Nevada 89701-5451
Policy (702) 687-6007 – Fax (702) 687-6110
Staff (702) 687-6001 – Fax (702) 687-6120

**FAX TRANSMITTAL**

DATE: 10/20/98
TO: Kathy Hodge
FROM: Jerry Holmes
21 PAGE(S) INCLUDING THIS COVER LETTER. IF YOU HAVE ANY QUESTIONS, PLEASE DO NOT HESITATE TO CALL ME AT (702) 486-2600 OR FAX TO (702) 486-2595.

Addition to Complaint CC4-092298-JB
Please Respond to the compensation claim in the cover letter from Mr. Born on page 2, paragraph 2, line 1.

CONFIDENTIALITY NOTICE: The document(s) accompanying this telecopy transmission contains confidential information belonging to the sender which is legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that nay disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the documents to us.

KATHRYN E. LANDRETH
United States Attorney
KURT P. SHULKE
Attorney in Charge
ERIC JOHNSON
Assistant United States Attorney
Organized Crime Strike Force
United States Attorney's Office
701 East Bridger Avenue, Suite 550
Las Vegas, Nevada 89101
702-388-6363

FILED
JUL 13 1999
CLERK U.S. DISTRICT COURT
DISTRICT OF NEVADA
BY (s)_____DEPUTY

**UNITED STATES DISTRICT COURT**
**DISTRICT OF NEVADA**

-o0o-

UNITED STATES OF AMERICA,

Plaintiff,

v.

**CHRISTIANO DeCARLO**, also known as Chris DeCarlo,
**MARIO STEFANO**, also known as Mario Pugliese,
**ANTON NELSEN, KENNETH BYRNES,** and
**JOSHUA SNELLINGS**, also known as Josh Snellings,

Defendants.

---

CR-S-98-375 (PMP)(RLH)

INDICTMENT for violation of Title 18, United States Code, Sections 1951, Interference with Commerce by Threat of Violence (Hobbs Act); 1952, Interstate Travel in Aid of Racketeering Activity; 924 (c ) Possession of

Firearm During a Crime of Violence; 371, Conspiracy; and 2, Aiding and Abetting

---

THE GRAND JURY CHARGES THAT:

COUNT ONE
(Interference with commerce by threats or Violence with Aiding and Abetting)

1. At all or part of the time material to this Indictment, Frank Bartello, Richard Soranno and Harry Jacobs directly or indirectly owned and operated out call services in the Las Vegas, Nevada, area for the purpose of providing female and male entertainers to individuals in exchange for money, which businesses affected interstate commerce.

2. At all or part of the time material to this Indictment, defendant CHRISTIANO DeCARLO directly or indirectly owned and operated an out call service in the Las Vegas, Nevada, area for the purpose of providing female and male entertainers to individuals in exchange for money, which business affected interstate commerce. Defendant CHRISTIANO DeCARLO's out call service competed for customers with Frank Bartello's, Richard Soranno's and Harry Jacobs' out call services in the Las Vegas, Nevada area.

***3. At all or part of the time material to this Indictment, defendants perceived Charles Coveney as an individual who worked for one or more out call businesses in the Las Vegas, Nevada, area and who, through use of computers and computer networks, was capable of controlling the Sprint telephone system in southern Nevada, which telephone system affected interstate commerce, to divert telephone calls from defendant CHRISTIANO DeCARLO'S and other individuals' out call services to Richard Soranno's and possibly other competitor's out call services for the purpose of diverting customers from defendant CHRISTIANO DeCARLO's and other individuals' out***

***call services to Richard Soranno's and possibly other competitor's out call services.***

4. From on or about June 1998, through and including the date of this Indictment, in the District of Nevada and elsewhere,

**CHRISTIANO DeCARLO**, also known as Chris DeCarlo,
**MARIO STEFANO**, also known as Mario Pugliese,
**ANTON NELSEN, KENNETH BYRNES,** and
**JOSHUA SNELLINGS**, also known as Josh Snellings,...

(page 11)

...were arriving on October 7, 1998, and intended to meet with and possibly make an example of the previously described owners of out call services.

22. On October 5, 1998. UCA and CW-1 met Pugliese in New York City. CW-1 was wearing a hidden body recorder during this meeting. Pugliese advised he is sending two individuals from Tampa, FL to Las Vegas, Nevada, to assist Byrnes in dealing with Bartello, Soranno and Jacobs, all of whom are out call service operators. Pugliese advised one of the individual coming to Las Vegas is known as "Vinnie Aspirins" and the other is a former mercenary. Pugliese said that Vinnie 'Aspirins' has a reputation for torturing people. Pugliese advised on one occasion Vinnie 'Aspirins' used a cordless drill to drill holes into an individual's head.

***23. On or about October 5, 1998, Pugliese told CW-1 that in addition to the out call business operators targeted, he has targeted an individual named Charles Coveney. Pugliese said that Coveney is a computer expert who currently works for Soranno. Coveney has contacts in the Sprint Telephone Company and is able to have telephone calls diverted from one number to another. Pugliese expects to persuade Coveney to leave Soranno and assist DeCarlo in his out call business by diverting telephone calls to DeCarlo.***

24. On or about October 5, 1998, during a meeting between CW-1, UCA and Pugliese, Pugliese

advised that he was involved in a cigarette smuggling operation in the Bahamas. In an attempt to raise money for this smuggling operation, Pugliese and his associates from Tampa Florida, met with an unnamed individual and "persuaded" his against his will to sign over a $300,000 lien on a ...

NEVADA INVESTIGATIVE SERVICES
CRIMINAL- CIVIL- DOMESTIC
EXPERIENCE SINCE 1969

JAMES T. BORN – Private Investigator

Main office:
P.O. Box 91434
Henderson, Nevada
89009-1434
(702) 564-4357
(702) 566-8008

STATE LICENSE:
Nevada 457
California AQ007195
Nevada 56

CONTRACT

The undersigned hereby hires NEVADA INVESTIGATIVE SERVICES, its agents and employees to perform the following confidential investigative service(s):

Attempt to conduct a telephone sweep to determine if a phone tap is in place on the business lines. Attempt to assit client to determine if she is the victim of industrial sabotage. Client grants permission for NIS to tape record certain telephone conversations on her business lines. Between NIS and her business x_____
For the purpose of this contract client is acting in proper person.

The undersigned hereby agrees to compensate NEVADA INVESTIGATIVE SERVICES for any and all work commenced through verbal agreement, prior to the execution of this contract. The undersigned- understands and agrees that all work begins upon verbal or written receipt of the clients order. Subject investigation will

commence on 10-27-95 and continue until completion of said service, or receipt of written notice of termination by the undersigned.

The undersigned hereby agrees to compensate NEVADA INVESTIGATIVE SERVICES for the performance of said services as follows:

$350.00 for phone sweep
$450.00 for in house phone calls

---

$800 plus hotel room rents

If case goes to lawsuit, NIS will receive 10% of award for work.

The undersigned agrees to pay all monies doe on the date said charges and expenses are invoiced. The undersigned agrees to pay for any and all court, or other fees that may be necessary to collect unpaid monies.

NEVADA INVESTIGATIVE SERVICES agrees that its agents and employees shall use reasonable diligence and due care in performing the above described investigative service(s), and that said services shall be performed in conformity with all applicable laws, ordinances, and regulations pertaining to Private Investigators, NEVADA INVESTIGATIVE SERVICES, however, does not, nor can it, warrant that its agents and employees will successfully achieve the anticipated results of the above described investigative services. Accordingly, the undersigned, being fully cognizant of the risks and uncertainties involved in performing said services, agrees to compensate NEVADA INVESTIGATIVE SERVICES for services performed on his or her behalf, as set forth above, regardless of outcome.

The undersigned further acknowledges that NEVADA INVESTIGATIVE SERVICES, its agents and employees, are being hired to perform investigative services only, and have no personal stake in the results of

their effort, or the use of those results by the undersigned. Accordingly, the undersigned agrees that NEVADA INVESTIGATIVE SERVICES shall be in no manner responsible for the use of these results, and hereby agrees to hold NEVADA INVESTIGATIVE SERVICES , its agents and employees, harmless from any and all cost, loss, expense, claim, or liability which may arise from the use of said results.

In the event that legal action is commenced in order to recover the compensation referenced above, NEVADA INVESTIGATIVE SERVICES , in addition to any other remedy in law or equity to which it may be entitled, shall in addition to that already mentioned in this contract, shall be entitled to an award of all attorney's fees and costs incurred.

The undersigned agrees to pay any required retainer fee by the end of the third working day from the time the investigative services were requested, the undersigned further understands that NEVADA INVESTIGATIVE SERVICES may stop work and demand compensation for investigative expenses incurred, including time exhausted, for non payment. Undersigned is hereby informed that with reference to Chapter 648, Nevada Revised Statutes "Upon demand by the customer, the license shall not refuse to divulge to the customer the results of an investigation if payment has been tendered for charges levied."

DATE: 10-26-95
$500.00 Cash Paid 10-26-95
$300.00 Balance Due 10-31-95

(s)_____
Hilda Brauer
(NAME)
(Agency Representing)

(s)_____
JAMES T. BORN
Private Investigator

EXHIBIT 4E – DATA REQUEST

Diversion
Rio

The Rio Incident was a call diversion where a couple had called our number and received a company called "Room Service" that ripped the customer off. In the morning he was going to call metro and file a complaint. So I went and showed him our phone records of the night that show we did not receive his call. His wife wrote a statement of the incident and gave us a copy of their hotel bill which gave our telephone number as the only one dialed number. Later the investigation turn up that Room Service was Frank Bartello who dispatched the "Cody & Daphne" scenario- they identified girls from Room Service office. This incident was documented with the Organized Crime Detectives Roy Brotherson and Gayland Hammack. Rio video surveillance tapes were pulled to identify the girls.

## MUNOZ' EVIDENCE OF CALL DIVERSION

Munoz contacted Scott Collins, Sprint Docket Manager, in January 2001 and said that he had obtained proof of call diversion. Munoz stated that a tourist staying at the Rio hotel called one of Munoz' toll free telephone numbers and ordered a female escort. The female escort arrived at the hotel room and asked the tourist what type of girl he wanted. The female escort offered to get whatever type of girl the tourist desired, but required a $125.00 deposit. The escort took the money and did not return to the hotel room. The tourist called Munoz the next day and demanded to know why the escort took the money and did not return. Munoz had no record of the tourist's initial call from the Rio hotel. Munoz offered the tourist a 125.00 if he could produce a receipt from the hotel reflecting that Munoz' toll free number was dialed from the room. The tourist produced a hotel bill with Munoz' toll free telephone number listed on the bill. Munoz also had the tourist signed and date a letter detailing his experience with the female escort. Munoz claims that he did not receive the call from the tourist at the Rio hotel. He stated the escort that went to the Rio was not affiliate with Munoz' service. Munoz confidently states this is proof that calls are being diverted from his business. Munoz claims that Sprint's network is being compromised internally or possibly by an outside entity such as a hacker.

As a result of Munoz' claim of call diversion from the Rio hotel, Scott Collins rented a room at the Rio on Friday, February 16, 2001 to place several test calls. Munoz was notified of the test calls from the Rio approximately four hours before the test started. Mr. Collins placed a total of forty test calls from the hotel room in the presence of Rich Stephenson, Sprint Western Regional Security Manager, and Barry Holt, Senior Consumer Investigator for the NPUC. Of the forty calls placed, six calls did not go through. Of the six calls that did not go through, only two toll free numbers were affected. Three attempts to reach one toll free telephone number terminated to a busy signal

and three attempts to reach the other toll free number terminated to an unknown pager. It is unknown at this point why the calls went to a pager. This will require further investigation.

## CONCLUSION

In conclusion, Sprint has spent a tremendous amount of time and resources investigating Munoz' allegations. A total of 245 test calls have been conducted on Munoz' toll free telephone numbers from six different hotels. There has been no evidence of any call diversion or dropping of calls during any of the tests, Commission Soderberg ruled on February 22, 2001, that Munoz has provided enough circumstantial evidence to warrant a hearing. The Commissioner warned Munoz that he must provide substantial proof of where the call diversion is taking place, not just show evidence that he is not receiving calls.

(Letter from the customers staying at the Rio)

To Whom It May Concern:

On 1-5-01 we called to have a female entertainer come to our hotel room. A girl came and took $125 from us. She said she charged *** dollars. She said her agency would send a girl who charged just $125. The girl kept the $125 and said the next girl would be here in 15 minutes. However, The girl never came. Then we called the agency in the AM, They said they never got the call. The agency came to our hotel room on Saturday afternoon and gave us $125. My husband called the agency – got a copy of our phone bill that has the agency number on it. However, the agency shows no record of our call. The agency now has a copy of our bill as proof of this call.

(s)_____

Vickie L. Lacher

# RIO SUITE HOTEL & CASINO
# LAS VEGAS

I CONFIRM MY DEPARTURE DATE AS STATED. I ACKNOWLEDGE THAT A $50.00 FEE WILL APPLY IN THE EVENT THAT I DEPART PRIOR TO THAT DATE.

THOMAS OR
VICKEY L LACHER

Arrival: 1/03/01
Departure: 1/07/01
Persons: 2
Date: 1/03 $70 1/04 $70 1/05 $70 1/06 $70
Group Code: BDAIRY
Account# 367234416003
Room Type: IT K1EH
Room# 1125
Deposit Received: 76.30 FVS 4444000764003170

GUEST ROOM SAFES ARE PROVIDED. HOTEL ASSUMES NO RESPONSIBILITY FOR LOSS OF VALUABLES NOT DEPOSITED IN GUEST ROOM SAFES.
I AGREE THAT MY LIABILITY FOR THIS BILL IS NOT WAIVED AND AGREE TO BE HELD PERSONALLY LIABLE IN THE EVENT THAT THE INDICATED PERSON. COMPANY OR ASSOCIATION FAILS TO PAY FOR ANY PART OR THE FULL AMOUNT OF THESE CHARGES.

| TE | DESCRIPTION | AMOUNT | BALANCE DUE |
|---|---|---|---|
| | ROOM CHARGE | | |
| 2001 | 1125 | $70.00 | $70.00 |
| 2001 | TAX | $6.30 | $76.30 |
| | APPLIED | | |
| 2001 | DEPOSIT | $76.30 | $0.00 |
| | ROOM CHARGE | | |
| 2001 | 1125 | $70.00 | $70.00 |
| 001 | TAX | $6.30 | $76.30 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | LOCAL/PHONE | | | | | |
| )01 | ACCESS | 8987526 | :12 | 16:55 | $1.00 | $77.30 |
| | LONG DISTANCE | | | | | |
| )01 | CALL | 8888959808 | :04 | 00:57 | $1.00 | $78.30 |
| | LONG DISTANCE | | | | | |
| )01 | CALL | 8887082254 | :08 | 01:18 | $1.00 | $79.30 |
| | LOCAL/PHONE | | | | | |
| )01 | ACCESS | 8987526 | :34 | 01:25 | $1.00 | $80.30 |
| | ROOM CHARGE | | | | | |
| )01 | 1125 | | | | $70.00 | $150.30 |
| )01 | TAX | | | | $6.30 | $156.60 |
| | LONG DISTANCE | | | 5:56 | | |
| )01 | CALL | 88873333066 | | 08:37 | $1.00 | $157.60 |
| | LOCAL/PHONE | | | | | |
| )01 | ACCESS | 7367544 | :44 | 23:43 | $1.00 | $158.60 |
| | LOCAL/PHONE | | | | | |
| )01 | ACCESS | 8987526 | :10 | 10:29 | $1.00 | $159.60 |
| | LONG DISTANCE | | | | | |
| )01 | CALL | 8887082254 | :34 | 10:37 | $1.00 | $160.60 |
| | LONG DISTANCE | | | 7:42 | | |
| )01 | CALL | 8887082254 | | 10:51 | $1.00 | $161.60 |
| )01 | ROOM SERVICE I | | | | $25.11 | $186.71 |
| | LONG DISTANCE | | | 3:06 | | |
| )01 | CALL | 8887082254 | | 11:16 | $1.00 | $187.71 |
| | BALANCE | | | | | $187.71 |

***RIO***

Flamingo at Valley View
(800) 888-1808 – (702) 852-7777
Post Office Box 14160 – Las Vegas Nevada 89114
Website www.playrio.com

## RIO SUITE HOTEL & CASINO
## LAS VEGAS

In Suite Phone Rates

- Local and Toll Free Calls: $1.25 per call (Please be advised that any toll free calls which exceed 20 minutes in length will be subject to a charge of $.25 per minute for each minute over 20. Any local calls which exceed 10 minutes in length will be subject to a charge of $10 per minute for each miute over 10.
- Long Distance Calls: $1.25 per call access fee; per minute rate is established at the AT&T Operator Assisted Day Rate + 65% hotel surcharge
- Collect, Operator Assisted and Credit Card Calls: $1.25 per call access fee + applicable provider surcharge
- Directory Assistance (Long Distance): $1.25 per call by dialing 9+1+Area Code+555-1212
- Alternate Long Distance Carriers: Please refer to the access information provided by your long distance carrier's calling card.

ALL CALLS ARE CONSISTANT WITH CURRENT LEGISLATION.

Address consumer complaints to:
FCC Consumer Protection Branch
CCB Mail Stop 1600A2
Washington, DC 20554
-Or-
Nevada PUC
1150 E. Williams
Carson City, NV 89701
(702) 687-6000

Reservations (800) 888-1808
(702) 252-7777 - Flamingo at Valley View
Post Office Box 14160, Las Vegas, Nevada 89114

Excerpt from
**Direct Testimony of Scott B. Collins**
**October 23,2001**
**Eddie Munoz v. Central Telephone Company-Nevada**
(Pages 34-41)

...service. But it wasn't anything formal. It was just more of a follow-up to make sure he was getting his calls.

**Q**: as a result of these less formal tests, as I'll call them, was there any indication that Mr. Munoz was not getting his calls?

**A**: I was never informed that Mr. Munoz was not receiving his calls. As far as i know, everything was working through Sprint's network fine. I have seen notes and trouble tickets that said X number of calls went through. But I was never informed that Mr. Munoz was not receiving his calls.

**Q**: Did you ever see notes and trouble tickets saying that not all the calls were going through?

**A**: I don't recall seeing anything – or any notes saying that the calls were not going through. I do recall seeing that, for example, say, 100 calls went through, and 95 were answered by the subscriber, which would be Mr. Munoz.

And those numbers, I've just made up.

**Q**: I understand.
What would that mean to you?

**A**: that would mean that the calls went through Sprint's network and went through to Mr. – or went through to the network interface device on the side of Mr. Munoz's house, but were not necessarily answered on Mr. Munoz's place of business.

**Q**: Using your hypothetical of 100 calls being made and 95 being answered, what would happen to the other five calls?

**A**: They may have just rang and were never picked up.

**Q**: Would that be the only explanation?

**MR. REILLY:** Objection. Calls for speculation.

**THE WITNESS:** That's what I would assume.

**BY MR. ALPERT:**

**Q**: Do you know a gentleman by the name of Joe Spears?

**A**: Yes.

**Q**: Who is Mr. Spears?

**A**: Mr. Spears is a security officer with corporate security for Sprint.

**Q**. Has Mr. Spears been involved in the investigation of the Munoz complaint?

**A**: He's been involved, but not really actively participating. He was with – he accompanied myself during the night of the tests in November in the hotel rooms and once when we went to visit Mr. Munoz.

**Q**: Was he with you on the first test in November?

**A**: Yes.

**Q**: I did not hear his name before.

**A**: Well, I believe when I gave those names. I said that were actively participating, Mr. Spears was just with me as a witness in the room. He didn't really have any active participation.

**Q**: Did you and Mr. Spears visit Mr. Munoz at his place of business in February of 2001?

**A**: I'm not sure of the date. But, yes. Mr. Spears and I did visit Mr. Munoz at his place of business.

**Q**: Would it have been sometime early in 2001?

**A**: Yes.

**Q**: What was the purpose of that visit?

**A**: I believe the purpose was to meet with Mr. Munoz and discuss the possible problem with the hotel bill at the Rio because Mr. Munoz called me up and said he had proof that he was having a problem with his service.

**Q**: The hotel bill is the one we just discussed, Exhibit 5?

**A**: Correct.

**Q**: So you had discussed that previously with Mr. Munoz?

**A**: Yes.

**Q**: So you and Mr. Spears came to see Mr. Munoz?

**A**: Yes.

**Q**: And what did you guys discuss?

**A**: Mr. Munoz showed me the hotel bill, which is Exhibit 5, and explained to me that a customer had contacted him and was upset, that he ordered an escort from Mr. Munoz, and that escort arrived and took some money and then left.

And then Mr. Munoz received this hotel bill from the customer. And Mr. Munoz pointed out to me that one of his telephone numbers were called from the Rio but that his records did not indicate that he received that call from the Rio on that date and that time.

**Q**: Did you investigate that complaint?

**A**: My investigation was renting a room at the hotel – or at the Rio Hotel and conducting test calls myself to see if I could replicate the same problem.

**Q**: So the February testing that we've already discussed was a result of you talking with Mr. Munoz about the Rio phone bill?

**A**: Yes.

**Q**: Were you ever able to determine from the Rio phone bill why the number went – why the call went to a different number?

**MR. REILLY**: Objection. Assumes facts.

**THE WITNESS**: No.

BY MR. ALPERT:

**Q**: Did you do anything to see if you could make such a determination?

**A**: The only thing I could do was place test calls from the Rio to see if the same problem happened again. But other than that, we don't own the hotel – Rio's P.B.X. switch, so I really couldn't do anything.

**Q**: Did you do anything to determine the identity of the phone numbers – the three numbers listed in Exhibit 6?

**A**: I've never seen those numbers before today. This is the first I've ever seen them or been made aware of these calls – or these numbers.

**Q**: Well, at least one of them shows up in Exhibit 7; is that correct?

**A**: Correct. But I don't believe I've ever seen a copy of Mr. Munoz's bill, as Exhibit 7. This is the first time I've ever seen it.

**Q**: Fair enough.
When you and Mr. Spears met with Mr. Munoz earlier in 2001, did you indicate to him that there was a problem was?

**A**: I was certainly perplexed as to why the customer at the Rio called Mr. Munoz's number, and, according to Mr. Munoz, he said that he never received the call.

**Q**: As a result of that meeting with Mr. Munoz, do you – did Sprint do any further testing on Mr. Munoz's lines?

**A**: Not a result of that, no.

**Q**: Was there further testing done on his lines early in 2001 for other reasons?

**A**: I believe it was just part of the continuation of monitoring the flow of traffic over at Mr. Munoz's facilities. And the monitoring of those calls were a result of Mr. Munoz's repeated effort of placing trouble tickets with Sprint saying he was having problems with his service.

So the testing was just a result of those trouble tickets and Mr. Munoz's allegations of service problems.

**Q**: Did Sprint ever determine that there was a bridge tap on any of Mr. Munoz's lines?

**A**: Yes.

**Q**: Tell me first what a bridge tap is.

**A**: Mr. Munoz has a T-1 service, which is a direct connection between Sprint's servicing central office, the East 7 Central Office to Mr. Munoz's business. And bridge tap is the unnecessary connection of other cables and pairs to the direct electrical path.

A T-1 cannot operate properly with any bridge tap on the line. So what the technicians did is—in investigating Mr. Munoz's claims, they determined that there was a bridge tap on there, which would possibly degrade Mr. Munoz's service

So they just simply removed the bridge tap, which is a normal procedure. It happens on a daily basis.

**Q**: How did the bridge tap get placed on the line?

**MR. REILLY**: Objection. Calls for speculation. If you know.

**THE WITNESS**: Well, I'd like to state that I'm not a technician. I've never received any type of formal training or anything like that.

But all a T-1 is a twisted pair of copper wire that runs from the East 7 Central Office to Mr. Munoz's business. That same twisted pair of copper wire can be used for plain old residential telephone service. And as that cable is distributed out into the network, it fees off to different areas.

In order to have a T-1 working properly, what the technicians do is they go out and they remove any excess feeding of that cable so it's just a direct electrical path or digital path to Mr. Munoz's residence. And it's not a complicated process to remove bridge taps.

**BY MR. ALPERT:**

**Q**: Is a bridge tap something that Sprint installs?

**A**: It's not necessarily installed. It's the way our outside plant facilities are distributed out into the field. The cable bridges off and sections out. And that's just the way our network is designed.

And when a T-1 service is requested by a customer, the technician installing should check for the bridge tap and remove it. Bridge tap is nothing that's added by Sprint. It's just the way our network is laid out and they way our facilities are...

(Notes taken by Eddie Munoz at the time of the "Rio Incident")

Steve
10-4-01

Van Nuys
818-933-8808
Number on a Sprint Bill
- - - - - - - - - - - - - - - - -
Dial From Rio Room
1-818-933-8806
1-818-424-3080
1-818-933-0023
State to State
- - - - - - - - - - - - - - - - - -
257-3255
11-11 818-933-8806 Travel Lodge 736-3443
Don – Motor Bill

314-4730 Sahara 737-2111
Vickie – Supervisor ID#
Espire- 474-710
Cindy
Espire Michelle does not know

Jim Harding does do know
VA- 1-800-937-7473

14th 4 Queens 385-4011
Joyce Tracking Phone calls Ref# acct receivable 3133006
Sue - Coming up for test

18 Motel 6 798-0728
Vagabond 735-01768
735 9138

Don't know why 818 VanNuys # Come up out of room???

**GOODRICH INVESTIGATIONS**
**FACSIMILE TRANSMISSION**

To: Eddie Munoz
Company:
City/State:
Fax:#:
Tel #:
Date: 4-21-01
Sender: Bert Goodrich

**GOODRICH INVESTIGATIONS**
2914 Ashby Avenue
Las Vegas, Nevada 89102
(702) 877-9149
FAX- (702) 878-9581

MESSAGE:
Per Our Conversation

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IS ADDRESSES AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OF THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT. YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

CONFIRMED BY: TIME:
Total Number of Pages (including coversheet): 4

IF YOU DO NOT RECEIVE ALL OF THE PAGES TRANSMITTED, PLEASE CALL (702) 877-9149

Attorney Work Product
Memo of Interview – MUNSRC2A WPD

Date: 4/13/01

Time: 8:30 PM

Place: Las Vegas, NV

Present: Source 2 – Witness
Bert Goodrich – Investigator

In re: Diverted Phone calls of Eddie Munoz

Source 2 provided the following information:
1. Source 2 has been in the outcall business for about 9 years.

2. Source 2 was a manager when working for Vince Bartello at Room Service

3. Source 2 explained the following scenario is common for Room Service.

A. First of all a customer (usually male) will call in from some hotel or motel. The person from Room Service gets the name of the Hotel or Motel. The guy is asked how much he wants to spend, for sake of this example let's say its $125. A girl entertainer is sent to the room.

B. When the girl gets to the room, if the guy says he only has $125 then the girl will take the $125. She then calls Room Service and tells them they they will have to send "Cody" or "Daphne". The girl then gives the phone to the customer and while he is taking with the manager from Room Service, the dancer leaves with the $125.

C. The manager from Room Service usually asks the guy if he want "Cody" a blonde, or "Daphne" a brunette. The men almost always pick "Cody" the blonde. The customer is then informed that "Cody" is on her way.

D. Room Service never sends "Cody"- who is a fictitious person. The customer waits and Cody never shows up.

4. This scenario with "Cody" and "Daphne" has been going on quite a few years at Room Service. This "Cody" and "Daphne" scenario is unique to Room Service.

5. Besides Room Service, Source 2 has worked at 4 other outcall businesses in Las Vegas.

6. Source 2 has never heard of the "Cody" and "Daphne" scenario happening at any outcall service other than Room Service.

7. Cody and Daphne were manager at Room Service in or around 1999. That is where the "Cody" and "Daphne" scenario originated.

8. The two current managers at Room Service that use the "Cody" and "Daphne" scenario are Erica and Jody. They work 4PM to midnight each week with Tuesdays and Wednesdays off.

9. After a customer at one of the hotels has been promised "Cody" or "Daphne", the customer will then call (or the entertainer will call) the phone number that the customer originally had for Room Service. The telephone girl after hearing the customer's request for "Cody" or "Daphne" will then give the customer the phone# for the manger.

10. When the customer calls the manager and gets Erica or Jody, they will tell the customer that a dancer was already sent to their room and there are no refunds. Sometimes the

customer will call back 9 or 10 times but never gets another dancer.

11. When Source 2 is the manager, a customer calling in for "Cody" or "Daphne" is told that another entertainer will be sent out who will dance for tips. This usually always satisfies the customer.

12. When the customer calls in to Room Service, they (the customer and Room Service) always settle on an amount that the customer will pay for the entertainer. This is called the drop rate. When the girl goes to the room to dance she has to give the entire amount of the drop rate to Room Service. So if the guy(s) in the room are only willing to pay the agreed upon drop rate, then the entertainer would make nothing. This is why the "Cody" and "Daphne" scenario is used, so the entertainers do not have to dance for nothing.

13. Vince Bartello knows this is going on and he makes a lot of money using the "Cody" and "Daphne" scenario, because he usually get the entire amount of the drop.

14. If a night is going really slow a manager may let an entertainer keep a portion of the drop, this is the only exception.

15. Source 2 says that Vince Bartello is the only outcall operator that makes the entertainer pay over the entire amount of the drop.

16. Again, Source 2, said that while working all shifts at Room Service people from Sprint kept coming to see Bartello at Room Service. She doesn't understand why these people are coming there because Source 2 believes Bartello gets his phone service through "Dynatel" or something like that.

End of Memo.

Attorney Work Product
Memo of Interview

Date: 2/17/01

Time: 8:30 PM

Place: Las Vegas, NV

Present: Source 1 – Witness
Bert Goodrich – Investigator

In re: Diverted Phone calls of Eddie Munoz

At the beginning of the interview I (Goodrich) identified myself as a private investigator working for Peter Alpert, who represents Eddie Munoz. In response to my questions Source 1 provided the following information:

1. He/she is a former employee of Vince Bartello's outcall service which is known as Room Service.

2. Source 1 explained the following scenario is common for Room Service.

A. First of all a customer (usually male) will call in from some hotel or motel. The person from Room Service gets the name of the Hotel or Motel. The guy is asked how much he wants to spend, for sake of this example let's say its $125. A girl entertainer is sent to the room.

B. When the girl gets to the room, if the guy says he only has $125 then the girl will take the $125. She then calls Room Service and tells them they they will have to send "Cody" or "Daphne". The girl then gives the phone to the customer and while he is taking with the manager from Room Service, the dancer leaves with the $125.

C. The manager from Room Service usually asks the guy if he want "Cody" a blonde, or "Daphne" a brunette. The men almost always pick "Cody" the blonde. The customer is then informed that "Cody" is on her way.

D. Room Service never sends "Cody"- who is a fictitious person. The customer waits and Cody never shows up.

3. Even if the amount that the customer wants to spend is $500 and the customer only has $500 when the girl shows. She may just show her boos then call Room Service and say she needs a free dancer so send "Cody or Daphne". Again the phone is given to the customer to make arrangements and ultimately "Cody" and/or "Daphne" do not show.

4. Source 1 has seen numerous people from Sprint come to visit Vince Bartello. They come every couple days. When the people from Sprint come to Room Service they have to identify themselves over an intercom before they can get in. This is how Source 1 knows that the people are from Sprint.

5. Once inside the Sprint employee(s) would go into Bartello's office and the door would be closed.

6. A news videotape was played for Source 1. The videotape showed clips taken after equipment was stolen from Sprint in Las Vegas. Source 1 identified 2 of the men in the clip as being Sprint employees who have visited Bartello.

End of Memo- MUNSRC1.WPD